

TESTIMONY

OF

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WASHINGTON, DC 20002**

BEFORE THE

**SUBCOMMITTEE ON SURFACE TRANSPORTATION
AND MERCHANT MARINE INFRASTRUCTURE,
SAFETY, AND SECURITY**

OF THE

**SENATE COMMITTEE ON COMMERCE, SCIENCE
AND TRANSPORTATION**

**TUESDAY, JUNE 23, 2009
2:30 P.M.**

253 RUSSELL SENATE OFFICE BUILDING

Good morning. I'm pleased to have the opportunity to come before this Committee to discuss the opportunities and challenges for high speed rail that we see at Amtrak. Development of high speed and intercity passenger rail service is an essential step our country must take to address pressing national needs such as urban mobility, modal congestion, fuel efficiency, emissions reductions, and economic development. Amtrak has been providing intercity passenger service for nearly forty years, and we regard ourselves as the leaders in the field. About half of our 310 daily trains operate on some part of the Northeast Corridor, which is currently the only high speed railroad on the continent. It's an operation we have built, gradually but surely into a 150 mph railroad. This has given us a unique and unparalleled experience in the operation of service above 100 mph under North American conditions. It has also helped us to forge a strong working relationship with the Federal Railroad Administration, a relationship dating back to the early 1970s. They have a strong sense of our needs; we in turn are deeply aware of the views, needs and concerns that underpin their policies. In the last few years Amtrak and the FRA have established a strong pattern of cooperation that will serve us well in the years to come. We also understand the concerns and challenges of the freight railroads. Those will be of great importance, since much of the future of high speed passenger rail development relies on privately owned track and right of way. Finally, we recognize the need to manage expectations. The opportunities are very real, but we must stay grounded if we are to realize the potential of this tremendous moment. I recently returned from an extensive tour of our Western operations. I can assure you that the mood of our employees and supporters is optimistic. People are excited about the future of Amtrak and intercity passenger rail, and there's a real sense that we have a historic opportunity ahead of us.

The Passenger Rail Investment and Improvement Act (or "PRIIA") establishes a new partnership between the Federal government, the states, Amtrak and the freight railroads that

recognizes these realities. This Committee played a pivotal role in the development and enactment of the legislation. This is my first appearance before this Committee as the President of Amtrak, and so on behalf of the company and all of our supporters, I would like to thank the Committee, and particularly Senator Lautenberg and Senator Hutchison, for your wisdom and your efforts on our behalf. Many of the efforts I am about to discuss would not be conceivable, let alone possible, without the framework of policy this Committee worked so hard to enact.

Under PRIIA, each entity has a clearly defined role. The states are the strategic planners; they decide which markets should be served by rail, and they fund the operating costs for new or expanded corridor services. While the Federal matching program provides funding for capital projects, states will need to provide the annual funding for those portions of the operating cost that are not covered by revenues. The U.S. Department of Transportation coordinates state efforts and administers the Federal capital fund for corridor development. Amtrak is the nation's rail operator; it designs and provides service on behalf of the states and Federal government in cooperation with the host companies, which own much of the railroad right-of-way. This is an extraordinary vision, and a lot of the ideas that are contained in it will probably be components of the transportation reauthorization bill that's going to come before the Congress in the coming years.

The American Recovery and Reinvestment Act (or "ARRA") builds on this vision and expands on it. It provides Amtrak with a direct grant of \$1.3 billion for capital improvements. It funds the high speed rail, intercity passenger rail and rail congestion mitigation grant programs with an \$8 billion capital fund. ARRA will focus attention and funding on those projects that can be accomplished in the nearer term, essentially the next 5-7 years. To address longer-term

development needs, President Obama has proposed to make about a billion dollars a year available for grant program funding.

A lot of the discussion that has followed has been about speed, but the real issues are trip time and market relevance, and the natural yardstick for comparison is the automobile. So when we talk about improving speeds, we need to be thinking about those increases in the context of their effect on trip times. Frequency is also a major component of relevance, and we need to make sure that we are developing a sufficient number of frequencies on our services to provide travelers with a range of choices.

There are really three ways to build, develop, or improve passenger train speeds. The best-known method is one that a lot of people have in mind when they say “high speed rail,” and it is by an order of magnitude the most expensive and time-consuming: a brand-new electrified right-of-way that’s specifically engineered to carry very fast trains – trains that operate routinely in the 150-220 mph range. These projects require a very high standard of engineering, are dedicated passenger railroads, require the newest and most modern equipment, are electrified, and serve relatively few intermediate points; they’re basically endpoint-focused services.

Another model is the higher speed service that’s developed incrementally on an existing railroad. To do this, track and infrastructure are upgraded on an existing line. Depending on the route, this could also entail some “smoothing out” of curves, and perhaps grades, as well as some improvements to grade crossings and signaling systems. This is exactly the process that began on the Northeast Corridor after 1976 when Amtrak gained control of it, and over the years we have gradually raised speeds to 125mph, and then in places to 135 mph and 150 mph. There is,

however, a natural “sweet spot” at 110 mph that offers some significant advantages – you don’t need to close or separate grade crossings, and you can operate diesel-powered services with existing equipment. Most importantly, you don’t necessarily need a dedicated track or right of way – although in some circumstances they might be desirable. Those are formidable cost advantages – and 110 mph service still allows the reduced trip times that make rail service competitive in certain markets.

Finally, there’s a third strategy to improving service – it’s reducing the portions of your journey that trains cover at low or very low speeds. Our goal is not raw speed, but rather an economical, reliable and trip time-competitive service. A big part of reducing trip time involves finding ways to raise operating speeds at the lower end of the range; congestion reduction could be a strategy in the Chicago area, for example, where heavy traffic frequently delays our trains at crossings, junctions, and yards. We recently replaced a heavily trafficked crossing at Brighton Park. There was no interlocking protection, so trains actually had to stop before getting a signal to proceed at 10 mph. We can now move trains through the new interlocking at 40 mph, and this has allowed us to lop several minutes off the average operating time through this segment.

The stimulus money will advance high speed rail around the country and it will offer some breakthroughs. More importantly, I believe, is that the money will only flow to projects which provide significant and demonstrable results. There are corridors that are ready and primed for development. Congress and the Administration have challenged us – really all of us at this table, and we have to prove ourselves. In four years, I hope we can point to tangible results, with more on the way. In that light, I believe we will have earned the right to keep moving forward and bringing relevant, fast service to more regions of the country. Amtrak

wants to be the high speed rail operator in the United States. We are willing to partner with states to provide whatever service is required to succeed in the marketplace, whether it's the addition of frequencies on existing conventional services or the operation of a true high-speed service. Amtrak is committed to the development of the national rail system.

I am very optimistic about the potential for passenger rail in this country. While we're feeling the effects of the economy, this is the moment to invest. We need to be putting money into the network in anticipation of the demand that's coming. We got a real warning of the need last summer when the gasoline prices hit \$4 a gallon, and the ridership growth on our trains and on transit lines around the country highlighted the national interest in individual mobility. As it is, we're seeing a gradual but very real growth in gas prices since the beginning of the year. I think we have a real opportunity to realize some substantial improvements in the speed and reach of our service, and I look forward to working with the Committee, the states, the FRA and our rail industry partners in the coming years as we strive to effect some tremendous, measurable, and enduring improvements.

With these opportunities come challenges. The enactment of PRIIA and ARRA requires us to update and refocus our organization and our policies to meet our new roles in this exciting era for passenger rail. Additionally, we are current undertaking large investment programs funded by our ARRA funds and hope to expand this work in partnership with the states through future grants. This work will place significant new demands on Amtrak and will similarly tax the resources and organization of the FRA and the states. In particular, many of our state partners are not staffed for this new mission and many are facing financial difficulties, which may particularly affect their ability to provide the operating support for corridor services that is

required by PRIIA. As we seek to better understand these challenges, we will keep the Committee apprised of any additional needs and assistance that we identify and we ask for your continued support, which has always been so important to us, so that we can help assure that your vision for an expanded and effective intercity passenger rail network is realized.

Finally, I hope that the committee will keep Amtrak and intercity passenger rail in mind as it considers some of the pending legislation we expect to see in coming months. As we address climate change, for example, I would note that transportation emissions need to be addressed in any proposed policy solution and that we believe expanded intercity passenger rail service offers significant opportunities to reduce carbon emissions. Regarding the reauthorization of the federal surface transportation programs, I want to commend Chairman Rockefeller and Chairman Lautenberg for their recently introduced surface transportation policy bill. This bill is an excellent framework for the reauthorization and it moves us in the direction of a mode-neutral program that uses policy outcomes to guide transportation investments. With such a policy in place, I believe intercity passenger rail would finally be placed on a level playing field and enabled to contribute more significantly to solving the mobility challenges facing our nation. A transportation policy that focused on outcomes would allow the Federal government to focus its limited resources on investments that achieve real benefits such as reduced carbon emissions, energy efficiency and congestion mitigation. Intercity passenger rail and Amtrak can help us to achieve each of these much-needed goals, and I look forward to working with you in the coming months as we strive to translate them from legislation into national policy.